



**CITY OF SCOTTSDALE HOUSING BOARD
REGULAR MEETING
ONE CIVIC CENTER, 3rd FLOOR CONFERENCE ROOM
7447 E. INDIAN SCHOOL ROAD
SCOTTSDALE, ARIZONA
MARCH 12, 2009**

PRESENT: Joe Campodall'Orto, Chair
Nancy Cantor, Vice-Chair
Daniel Gottlieb, Board Member
Gary Morgan, Board Member
Kathleen Puchek, Board Member
Nick Thomas, Board Member (left at 6:31 p.m.)

ABSENT: Denise Carroll, Board Member

STAFF: Raun Keagy, Citizen & Neighborhood Resources General Manager
David Reichert, General Manager, Planning and Development Services

CALL TO ORDER/ROLL CALL:

Chair Campodall'Orto called the regular meeting of the Scottsdale Housing Board to order at 5:30 p.m. A formal roll call confirmed the members present as stated above.

1. REVIEW AND APPROVAL OF MINUTES OF FEBRUARY 10, 2009 (Action)

Vice-Chair Cantor requested that "2005-2009" be inserted in front of "Five-Year Consolidated Plan and Strategy" in the sixth paragraph of page 8. She also requested that "South Scottsdale Housing and" be removed from the seventh paragraph of page 8.

Board Member Gottlieb requested that "Governor's Housing Forum" be replaced with "AIA Conference," and that "IA" be replaced with "AIA" in the last paragraph of page 8.

BOARD MEMBER MORGAN MOVED TO APPROVE THE FEBRUARY 10, 2009 HOUSING BOARD REGULAR MEETING MINUTES AS AMENDED. BOARD MEMBER PUCHEK SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF SIX (6) TO ZERO (0). BOARD MEMBER CARROLL WAS ABSENT.

2. DISCUSSION OF THE UPCOMING GENERAL PLAN UPDATE INCLUDING THE BOARD'S ROLE IN THE UPDATE AND IMPLEMENTATION STRATEGIES FOR THE HOUSING ELEMENT. DAVID REICHERT—GENERAL MANAGER, PLANNING & DEVELOPMENT SERVICES (Discussion Only)

In response to Mr. Keagy's invitation to tell the Board about himself, Mr. Reichert summarized that he grew up in Wisconsin and moved to Arizona after obtaining a degree in landscape architecture in 1972. Once he obtained his Master's in Public Administration at ASU, he worked his way up to Director of Planning & Development Services at the City of Phoenix in 1992.

He elaborated that between 1994-1996 his department had secured the Sumitomo Plant, Mayo Clinic Hospital, and the Marriott Suites, and the housing element allowed for 10% of the housing stock to be used for affordable housing.

Mr. Reichert announced that the City had begun working on the General Plan Update in order to finalize it in time for the 2012 vote. He opined that the Boards and Commissions should work together on the preparation of suggested changes to their correlating elements in the General Plan.

Mr. Reichert recommended considering whether the housing language was outdated and what, if anything, has been accomplished since 2002. He noted that the value of Scottsdale homes would probably grow faster than other cities and pointed out the need to attract all levels of housing in order to create balanced communities.

Mr. Reichert pointed out that the housing element is an important component of the General Plan and suggested including housing in the redevelopment of vacant lots. He has been working with Harold Stewart from Economic Vitality as well as property owners on issues such as vacant lots and maintenance caused by the loss of car dealerships.

Mr. Reichert opined that the Housing Board should consider recommending the replacement of "affordable housing" with a more innovative term in the housing element of the General Plan. He noted that comprehensive language should relay the need for affordable housing rather than rows of apartment buildings to the developers.

Mr. Reichert explained that the Planning Department staff would be working with all City staff to gather Commission and Board input in order to incorporate suggested changes in the General Plan.

He volunteered to initiate a work study between the Planning Commission, Housing Board, Neighborhood Enhancement Commission and the Environmental Quality

Advisory Board on the creation of language related to environmental innovations such as solar panels for inclusion in the housing element.

Mr. Keagy recalled that previous Housing Boards created a strategy adopted by City Council that improved the preservation of existing housing stock in Scottsdale. He pointed out that the current housing element indicates that the City would build 150 affordable units per year and the Housing Board agreed that the City had not created any affordable units over the past year.

Mr. Reichert explained that during the five years it takes to prepare the General Plan Update he builds support throughout the development community in order to ensure action once adopted.

Board Member Puchek argued that the building of 150 affordable housing units per year was probably not feasible due to the economy and suggested they consider adding condominiums to the formula.

Mr. Reichert opined that a majority of the condominiums are in the higher price range and building stacked housing, patio homes, or homes in various arrangements is more feasible. Board Member Morgan argued that zoning would have to be changed to allow such multi-use housing.

Board Member Gottlieb stated that the Urban Land Institute foretold that there would be an increase in multi-family rental homes due to foreclosures and the credit squeeze.

Vice-Chair Cantor suggested that the Board review the Planned Unit Development Ordinance (PUD) included in tonight's information packet. Mr. Reichert agreed to schedule a staff presentation at the Board's next meeting to explain what the PUD was intended to accomplish.

He pointed out that the PUD was an excellent starting point for affordable housing and invited the Board to provide input on the ordinance to be reviewed by the Planning Commission at its first hearing on the PUD.

Vice-Chair Cantor suggested that all Boards and Commissions be invited to the April 18, 2009 Mayor's Summit as well as citizens interested in the development of Scottsdale.

Discussion ensued regarding the low cost of building homes within mixed use areas such as retail, hotels, office space, and surrounding parking structures.

Board Member Thomas pointed out that the City has adopted a passive role regarding height and zoning, causing an underutilization of land since it does not force the turnover of land. He argued that neighborhood shopping centers backed up against housing are not very attractive and need improvement.

Mr. Reichert invited Board Members to contact him regarding any questions or suggestions they might have.

3. **DISCUSSION AND STATUS OF PROPOSED PROJECTS ON BELLEVIEW STREET (Discussion Only)**

Mr. Keagy recalled that the Board had requested a continued discussion of the Bellevue Street project. He stated that the Human Services Commission would be considering CSA's request for \$200,000 from CDGB funds and \$500,000 in cold funds for the Bellevue Street project at tonight's meeting.

Mr. Keagy summarized that the \$200,000 will be used for development and the \$500,000 will be used for acquisition, demolition, and construction. He clarified that CSA is still considering building a 15-year multi-family rental unit development.

Mr. Keagy reported that staff is recommending approval of CSA's requests for funding, which is scheduled for approval by City Council in two to three weeks. CSA is still looking for partners on the project in order to apply for state low income tax credits.

In response to Board Member Puchek's inquiry regarding how long the CDBG funding received by Bellevue has been sitting unused, Mr. Keagy stated that the CDBG approvals were received two years ago.

Vice-Chair Cantor presented copies of background information on CSA that she recently obtained from the Human Services Commission

Mr. Keagy explained that when staff reached out to the Bellevue neighborhood, the citizens said they would rather have demolition occur instead of having a vacant building in a state of disrepair

In response to Board Member Thomas' inquiry regarding the base amount of funding already allocated to the Bellevue project, Board Member Puchek stated that the funding totaled \$1,019,908.

Discussion ensued regarding the funding currently allocated to the Bellevue project being redistributed through the Human Services Commission should the project not move forward.

In response to Board Member Thomas' inquiry regarding whether CSA had a plan B for the Bellevue project, Mr. Keagy explained that there was no backup plan.

Board Member Morgan opined that it was important for the Board to know in advance whether the project was being vacated in order to research supporting another project that could use the funding already allocated to Bellevue within five years of allocation.

In response to Board Member Puchek's inquiry regarding whether the funding could be used to assist first-time homeowners, Mr. Keagy stated that the usage would depend on which organization the funding originated from.

Vice-Chair Cantor recalled Ms. Albanese's comment that Scottsdale did not meet the formula cap foreclosure requirement of \$2,000,000 during her Housing Choice Voucher Program presentation at last month's meeting.

Family Promise Project:

Mr. Keagy reported that a project called "Family Promise" is a U-shaped multi-family unit complex located at 7221 East Bellevue Street.

He summarized that they planned to close on the property on March 13, 2009, obtain a conditional use permit for a privately owned community building, and are scheduled to go before the Planning Commission on April 5, 2009 and City Council on April 21, 2009.

Mr. Keagy explained that Family Promise's mission was to connect groups of homeless families with churches, elaborating that they plan to acquire this residential property in order to house people in transition for 18 months while improving their résumés and computer skills.

Of the eight units available, six would be used as residential units while the remaining two units would be used as a day center and meeting/computer/training room.

Mr. Keagy summarized that Family Promise plans to invite 30 families to participate in their program, who are to be picked up from Scottsdale churches and transported to and from the center in order to learn life skills. He recalled that they were also requesting \$20,000 in CDBG funding to reconstruct their parking lot.

Mr. Keagy reported that staff was going to schedule a neighborhood meeting to educate the public about the Family Promise project.

4. **DISCUSSION AND POSSIBLE BOARD ACTION ON AMENDING THE BYLAWS TO REFLECT A CHANGE IN THE DAY AND TIME THAT THE BOARD CONVENES FOR ITS MONTHLY MEETING FROM THE SECOND TUESDAY AT 5:00 PM TO THE SECOND THURSDAY AT 5:30 PM. (Action)**

Chair Campodall'Orto invited the Board to vote on amending their bylaws to reflect changing their monthly meeting to 5:30 p.m. on the second Thursday of each month as discussed at their February 10, 2009 meeting.

BOARD MEMBER THOMAS MOVED TO AMEND THE HOUSING BOARD'S BYLAWS TO REFLECT A CHANGE IN MEETING DAY AND TIME. VICE-CHAIR CANTOR SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF FIVE (5) TO ZERO (0). BOARD MEMBER THOMAS LEFT EARLY AND BOARD MEMBER CARROLL WAS ABSENT.

5. **DISCUSSION OF SETTING PRIORITIES AND OBJECTIVES FOR THE UPCOMING YEAR (Action)**

Mr. Keagy reminded the Board that agenda item number 5 is a standing agenda item intended to assist with the formation of objectives for the upcoming year.

Board Members Morgan and Puchek stressed the importance of continued Bellevue Street project updates and discussions.

Priority #1:

Discussion ensued confirming that the Board had already discussed possibly using segments of the 1999 Original Housing Strategy and 2001 Housing Strategy Update to create a 2009 Housing Strategy to be presented to City Council.

Vice-Chair Cantor presented copies of both documents for the Board's review, explaining that document statements were in black, her comments were in blue or gray, and the red notations related to activities not being accomplished by the City.

She pointed out that actions such as preparing annual action plans, the securing of homebuyer assistance, supporting/joining other Arizona communities, maximizing citizen participation, and the continued support of the acquisition and rehabilitation of properties as mentioned in the Housing Strategy had not yet been accomplished by the City.

Vice-Chair Cantor reported that the City stopped improving the effectiveness of HUD's Officer/Teacher Next Door program and Board Member Puchek agreed to find out whether the program had expired.

She opined that the action to connect the owners of opt-out properties with people and resources that have the best possibility of preserving affordability needs further definition.

Board Member Thomas argued that the housing strategies contained objectives rather than goals. Board Member Morgan suggested that staff prepare a list of the documents and goals already discussed by the Board for review at the April 2009 meeting.

Discussion ensued regarding making a motion to update the Housing Strategy for the creation and preservation of high quality, safe, and affordable housing adopted by City Council in July 1999.

Priority #2:

Board Member Morgan suggested working with staff on the General Plan Update, and Mr. Keagy explained that the housing strategies would form the base for the new goals of the General Plan Housing Element.

Discussion ensued regarding making a motion to participate in the update of the General Plan Housing Element by using the updated Housing Strategy as a foundation.

Priority #3:

Board Member Gottlieb presented a priority list previously prepared by Board Member Thomas. Mr. Keagy distributed copies to the Board Members.

Vice-Chair Cantor suggested supporting the objective to establish a private non-profit south Scottsdale housing and community development corporation. She explained

that all of the organizations serving Scottsdale housing are non-profit groups outside of the city limits.

Vice-Chair Cantor recalled that Steve Kapovis established a CDC called "All Citizens Together Serving" as a result of Future Search which assists senior citizens with repairs and landscaping. Mr. Kapovis is interested in meeting with the Board to discuss supporting his organization.

Board Member Morgan suggested including the objective to develop a conceptual program to assist elderly south Scottsdale owner occupants to remain in their homes as long as possible. He suggested introducing a new residential rehabilitation program including universal housing design.

Discussion ensued regarding whether there are existing programs in Scottsdale that address quality housing for senior citizens. Vice-Chair Cantor argued that the existing Community Services program only addresses home repairs and does not address adaptation.

Board Member Gottlieb and Mr. Keagy suggested expanding the existing housing assistance program guidelines to include universal housing design.

In response to Board Member Puchek's inquiry regarding whether the Planning Department is researching universal design, Chair Campodall'Orto explained that universal design was mandated on new construction. He is not sure how retrofitting is being handled.

Mr. Keagy recalled that there is an existing housing rehabilitation program that has \$23,500 in federal funding to address basic quality of life issues such as roof replacement, plumbing, windows, and kitchen cabinets. He pointed out that an emergency rehabilitation program administered through the Foundation for Senior Living addresses emergency repairs.

Mr. Keagy suggested that the Board study concepts that could be augmented and supplemented into the existing programs to ensure decent, safe, sanitary, and modest housing. It was the consensus of the Board to invite representatives from the aforementioned programs to a future meeting.

Board Member Morgan recalled that the Board had discussed marketing affordable housing to Scottsdale citizens. Vice-Chair Cantor explained that once the Housing Strategy and General Plan were created the Board would already have the marketing component initiated.

Discussion ensued regarding making a motion to develop concepts that augment the existing housing rehabilitation program to include universal housing design and application.

Priority #4:

Discussion ensued regarding making a motion to develop a marketing strategy to educate citizens and encourage affordable housing.

Condominium Conversions:

Board Member Morgan recalled that the Board had discussed presenting the 2007 Condominium Conversion white paper and disclosure document to City Council. Vice-Chair Cantor recalled that the Board had not yet heard back from Planning Department staff.

Mr. Keagy recalled that the City attorneys opined that the disclosure document was not necessary when purchasing converted condominiums. Board Member Morgan argued that the condominium conversion issues addressed in the white paper were not relative to the times.

Chair Campodall'Orto agreed that condominium conversions is an issue that should not be one of the Board's priorities.

Priority #5:

Mr. Keagy suggested that the Bellevue Street project updates and discussions be listed as a priority, since they were previously adopted by the Board.

Discussion ensued regarding whether the Chair should delegate tasks related to the priorities or whether the Board Members would like to work together on each priority.

Chair Campodall'Orto recommending agendizing the prioritization of the priorities for the April 2009 meeting.

In response to Vice-Chair Cantor's inquiry regarding whether the Neighborhood Enhancement Commission is working on an update to the neighborhood element of the General Plan, Mr. Keagy recalled suggesting that Ms. Mead inform the Chair about the need for an update.

BOARD MEMBER PUCHEK MOVED TO UPDATE THE HOUSING STRATEGY FOR THE CREATION AND PRESERVATION OF HIGH QUALITY, SAFE, AND AFFORDABLE HOUSING ADOPTED BY CITY COUNCIL IN JULY 1999. BOARD MEMBER MORGAN SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF FIVE (5) TO ZERO (0). BOARD MEMBER THOMAS LEFT EARLY AND BOARD MEMBER CARROLL WAS ABSENT.

BOARD MEMBER MORGAN MOVED TO ASSIST WITH THE UPDATE OF THE HOUSING ELEMENT OF THE GENERAL PLAN BY USING THE UPDATED STRATEGY AS A FOUNDATION. BOARD MEMBER PUCHEK SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF FIVE (5) TO ZERO (0). BOARD MEMBER THOMAS LEFT EARLY AND BOARD MEMBER CARROLL WAS ABSENT.

BOARD MEMBER GOTTLIEB MOVED TO DEVELOP CONCEPTS TO AUGMENT THE EXISTING HOUSING REHABILITATION PROGRAM INCLUDING UNIVERSAL HOUSING DESIGN AND APPLICATION. VICE-CHAIR CANTOR SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF FIVE (5) TO ZERO (0). BOARD MEMBER THOMAS LEFT EARLY AND BOARD MEMBER CARROLL WAS ABSENT.

BOARD MEMBER MORGAN MOVED TO DEVELOP A MARKETING STRATEGY TO EDUCATE CITIZENS AND ENCOURAGE AFFORDABLE HOUSING. BOARD MEMBER PUCHEK SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF FIVE (5) TO ZERO (0). BOARD MEMBER THOMAS LEFT EARLY AND BOARD MEMBER CARROLL WAS ABSENT.

6. STAFF AND COMMISSION UPDATES (A.R.S. § 38-431.02(K))

Mr. Keagy reported that the Mayor's Summit was scheduled for 9:00-12:00 p.m. on April 18, 2009 to be held at the Ballroom of the Granite Reef Senior Center. Chair Campodall'Orto and Board Member Puchek both agreed to attend the event.

Vice-Chair Cantor recalled signing up for the event and invited Board Members to call the Mayor's Office to inform them that they would be attending the summit.

In response to Board Member Puchek's inquiry regarding whether the summit was going to be similar to a planning session, Mr. Keagy stated that there would be three break-out sessions. He explained that they would have panelists available to interact and discuss various City issues and agreed to provide the Board with more information.

Mr. Keagy announced that the Orchidtree is now owned by RAIT Financial Trust, due to its recent voluntary surrender to the bank. C B Richard Ellis has been hired to manage the property. In response to Vice-Chair Cantor's inquiry regarding their intentions for the property, Mr. Keagy responded either to rehabilitate so that the apartments are market affordable or to correct Code violations in order to resell it.

He recalled receiving calls from two previous Holiday Park unit owners requesting an opportunity to buy back their units as investments.

Discussion ensued regarding the Holiday Park project being an opportunity to create live/work scenarios with the units once the property's R-5 Zoning was changed. Mr. Keagy agreed to keep the Board apprised of the property's status.

In response to Board Member Morgan's inquiry regarding the City Council retreat previously discussed, Mr. Keagy explained that he had not received any further information on that event. He opined that he would have further information once the preliminary budget is presented to City Council on April 7, 2009.

Chair Campodall'Orto reported that Board Member Thomas had informed him that he would be unable to attend the April 2009 meeting.

7. PUBLIC COMMENT (A.R.S. § 38-431.02(K))

No members of the public wished to address the Board.

8. FUTURE AGENDA ITEMS

Mr. Keagy agreed to invite the Planning Department staff to provide an overview of the PUD Ordinance at the April 9, 2009 meeting. He stated that he would also agendize another Bellevue update along with the prioritization of the work program.

Board Member Gottlieb suggesting scheduling a briefing of the Housing Rehabilitation Program for the April meeting. The Board agreed to invite Steve Kapovis to a future Board meeting.

ADJOURNMENT:

With no further business to discuss, being duly sworn and seconded, the meeting adjourned at 7:27 p.m.

Respectfully submitted,
A/V Tronics, Inc. DBA AVTranz